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IN THE

Supreme Court of the United States

No. 73-160

GAIL REEDER, dba NUTRIFOODS CO.,

Petitioner,

vs.

H & J FOODS, INC.,

Respondent.

Respondent's Brief in Opposition to Petition for Writ of Certiorari.

ARGUMENT.

The petition here seeks review with regard to a narrow factual finding and with regard to an attorney fee award under State law. Neither issue involves a federal question, much less a federal question of such significance as to justify review in this Court.

The Fact Finding Question.

The Court of Appeal's decision in this case, *H & J Foods, Inc. v. Reeder,* .... F.2d ...., 177 U.S.P.Q. 612, 613, dealt with the nature of a valid transfer of trademark rights as follows:

> "While Hampson did not transfer much except the trifling amount of goodwill along with his trademark, the reason was that he had little else to transfer in the way of tangible assets relating to 'Hunza' . . . .

> "Hampson gave up the right to use the mark 'Hunza,' and Jacobs acquired all of Hampson's related tangible assets of any conceivable value. In *this case*, this was *sufficient*." (emphasis added).

Thus, contrary to the impression Petitioner tries to create, the courts below did not approve an assignment "in gross" or a "naked assignment". Rather there was careful observance of the requirement of 15 U.S.C. 1060 that the goodwill of the business be transferred together with the mark. Stated simply, Petitioner's contention is not, and cannot be, that no goodwill was transferred with the mark, but rather that *not enough* goodwill was transferred. The law does not place any quantitative minimum on the amount of goodwill to be transferred. Furthermore, examination of such a question would involve this Court in a narrow fact finding function in a matter already carefully considered by both lower courts and as to which both agreed. Rather, the uniform holdings below that all of the goodwill which existed was transferred with the mark together with all of the tangible assets of any value precludes any conflict between these holdings and *PepsiCo., Inc. v. Grapette Co.*, 416 F.2d 285 (8 Cir. 1969). The present case does not involve a "naked assignment" of the type referred to by then Judge Blackmun in his concurring opinion in *PepsiCo.*

The State Law Question.

The attorney fee award in the present case was based on independent and substantial State grounds. The Court of Appeals (.... F.2d ...., 177 U.S.P.Q. 612, 613) held:

> "The attorney fees are allowable under California's statutory law on unfair competition. Fleischmann Distilling Corp. v. Maier Brewing Co., 386 U.S. 714 (1967). . . ."

Contrary to Petitioner's mischaracterization (Petition p. 8), a State cause of action for unfair competition was pled under 28 U.S.C. 1338(b) and was proved. Both lower courts held Petitioner liable under the California law of unfair competition.

Thus, this case arises in the same context as *Friend v. H. A. Friend & Co.*, 416 F.2d 526 (9 Cir. 1969), in which this court denied certiorari at 397 U.S. 914.

Petitioner's argument for review of the fee award appears to be based on a pre-emption notion, but nothing is offered to satisfy the tests for pre-emption prescribed in *Cooley v. Board of Wardens*, 53 U.S. 299 (1851), more recently elucidated in *Goldstein v. California*, ... U.S. ...., 37 L.Ed.2d 163 (1973). Petitioner's unsupported thesis appears to be that the lack of provision for attorney fee awards in the Lanham Act somehow requires nullification of state legislative and decisional law providing for such fee awards in causes of action arising under state laws relating to unfair competition. This is not federal pre-emption. It is federal silence. And, according to this Court in *Fleischmann Distilling Corp. v. Maier Brewing Company* 386 U.S. 714, 717 (1967), such silence is not a pre-emptive silence.

Furthermore, the District Court found Petitioner's conduct willful [FF. 54, 55] and part of a larger pattern of "habitually, knowingly and without authorization" misappropriating the goodwill of others [F.F. 27]. Against this background, fees were awarded and the award affirmed "under California's statutory law on unfair competition" by the Court of Appeals, ... F.2d ...., 177 U.S.P.Q. at 613. In sum, there is no pre-emption and adequate independent State grounds for the fee award exist.

Conclusion.

No conflict between the decisions below and any decision of this Court or any other court exists. No other reason has been presented for granting a writ. Accordingly, the Petition should be denied.

Respectfully submitted,

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